Main Street: A Partner in Recovery

Municipalities and counties can use American Rescue Plan Act (ARPA) State and Local Funding to help Main Streets and business districts recover. Here are several ways to utilize this funding for both individual small businesses and broader place-based needs of your business district based on the Treasury’s Interim Final Rule.

For Small Businesses:
- Treasury guidance clearly indicates the use of ARPA funding for small businesses that have been negatively impacted by the pandemic.
- Applicable uses of funds to address negative pandemic impacts to small businesses include:
  - Financial assistance to impacted small businesses and non-profits through grants or loans.
  - Loans, grants or in-kind assistance for COVID-19 prevention or mitigation.
  - Technical assistance, counseling, or other services to assist with business planning needs.
  See pages 34-35 of the Interim Final Rule for further guidance.

DID YOU KNOW? Main Street programs have been on the front lines of providing technical assistance to businesses and administering local relief programs. Since the pandemic began, 81% of Main Street programs have experienced increased demand for small business support services.

For Main Street Programs:
- If your Main Street program is a non-profit entity, use the ability to pass through ARPA funding to non-profits to build capacity for downtown revitalization.
- If your Main Street program is a municipal department, ensure that staffing levels are appropriate. ARPA funds can be utilized for the rehiring of any staff lost due to pandemic budget cuts.

DID YOU KNOW? Despite the increased demand for Main Street small business support, for the majority of Main Street programs, funding has stagnated or declined during the pandemic. In a recent survey, the top two challenges for Main Street programs nationwide are staff capacity and fundraising.

For Business District Recovery:
- Business districts are an applicable use of ARPA state and local funds.
  - The Interim Final Rule identified Business Districts as an impacted industry (pg. 36).
  - Additionally, the broad flexibility of amounts identified as lost revenue (pg. 58-60) allows for projects important to business district recovery.
- To consider a business district an impacted industry, you must prove a negative impact to the district. Measurement of employment and business income are specified, but other metrics could include vacancy rates, rent per square foot, reduced sales tax, or foot traffic.
- Business districts need holistic recovery, including district-wide marketing, placemaking, and streetscape improvement to facilitate resiliency.
- Business district support should also consider the increase in entrepreneurship rates due to the pandemic and projects that help scale new businesses to regenerate local economic impact.

DID YOU KNOW? Most Main Street businesses (70%) were started by local entrepreneurs – not outside recruitment activities. To support business district recovery, municipalities should support entrepreneurial ecosystem building activities.